

**MINUTES**  
**MICHIGAN STATE TRANSPORTATION COMMISSION MEETING**  
**April 24, 2003**  
**Mt. Clemens, Michigan**

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present:     Ted Wahby, Chairman  
              C. Robert Baillod, Commissioner  
              Robert Bender, Commissioner  
              John Garside, Commissioner  
              Lowell Jackson, Commissioner

              Gloria Jeff, Director  
              Terry Anderson, Bureau of Highway Development  
              Sharon Edgar, Bureau of Multi Modal Transportation  
              John Friend, Bureau of Highway Delivery  
              Myron Frierson, Bureau of Finance and Administration  
              Leon Hank, Chief Administrative Officer  
              Pat Isom, Assistant Attorney General  
              Jerry Jones, Commission Auditor  
              Patricia Lockwood, Commission Advisor  
              Susan Mortel, Bureau of Transportation Planning  
              Kristine Rivas, Executive Assistant  
              Jackie Shinn, Economic Development Fund  
              Kirk Steudle, Chief Deputy Director  
              Larry Tibbits, Chief Operations Officer

Excused:     Betty Jean Awrey, Vice Chairwoman

A list of those people who attended the meeting is attached to the official minutes.

Chairman Wahby called the meeting to order at 9:00 a.m. in the Macomb County Administration Building, Mt. Clemens, Michigan.

Chairman Wahby thanked and welcomed everyone for attending the meeting. The Chairman then asked the Department staff to introduce themselves to the audience. Chairman Wahby then introduced the Macomb County Road Commissioners present, as well as elected and city officials.

**COMMISSION BUSINESS**

Commission Minutes

It was moved by Commissioner Wahby, with support from Commissioner Jackson, to approve the minutes of March 27, 2003, as submitted. The motion carried on a unanimous voice vote.

Director's Report

The Director indicated that her report would cover, "Preserve First," 2004 budget, the 2004 budget, the new state map, economic development grants, and reauthorization.

The "Preserve First" Program was instituted to focus more of resources on the protection of the asset we already have. The plan focuses attention on high-volume routes--routes with high vehicular traffic and commercial traffic, as well. We are focusing on statewide priorities and routes that are in poor conditions. We want to make the goal that is in our five-year program of having 90 percent of the roads in good condition by the year 2007. In putting the program together, we looked at projects in the current five-year program and scheduled to be let in 2004. We looked at the preservation projects and focused on the projects giving us the ability to go forward rapidly and still get done in 2003 in terms of bidding and obligating the \$182 million worth of projects, which are the first step in the program. The preservation program initially was only about \$532,000 out of our over \$700,000 program. While we are focusing on preservation, we are continuing to do capacity improvements at the same time. With the addition of the \$182 million, we now have an almost \$714,000 program focusing on preservation and we will be able to increase the miles of roads we can attack by 10 percent.

Beyond 2003 to 2004, we hope to add in the next four years \$400,000 in additional "Preserve First" programs. Selection will be made by statewide priority and statewide needs, focusing on those parts of the state where progress is now lagging. We don't want to have the total 10 percent of the poor roads located in one geographic area of the state.

Capacity improvements and expansion projects will continue to be a part of the MDOT program. We are in the process of reviewing our capital expenditures, completing projects underway, and moving forward on several noncapacity increase projects that improve traffic flow, improving operations of intersections, and doing some freeway modernization work, as well.

The question is, "when are the deferrables coming back into the program?" Not 2007. The projects will come back in when we are confident, based on data collected in 2002 and 2003, that we will make the goal in 2007. Secondly, when we can sustain it. We need to achieve the 90 percent and then maintain it. Finally, when we see what Congress is going to do as they deal with the reauthorization, including additional revenue and program structure. These are the three conditions that have to be met. Then we will begin the process of reinserting deferred projects.

The Director then discussed the budget, indicating that the budget process has started and is in the Senate Appropriations Transportation Subcommittee. Their budget is different from the Governor's. On Tuesday, the Appropriations Subcommittee moved it to the full Appropriations Committee and on next Tuesday the House of Appropriations Subcommittee on Transportation will begin their hearings on the budget.

New state maps are now available for everyone. Some additions have been made to reflect new construction and new routes.

The Director then reported on the Economic Development Fund private sector investment supporting jobs that had been invested in this area. The end result shows the positive partnership that of that investment by the private and public sectors working together.

The Director then noted that reauthorization is on the agenda of every transportation professional in the state. There is a full agenda in place for congress right now, although no formal bill has been introduced. The Michigan Delegation has come forward and is fully supporting a highway equity proposal that will ensure that every state will get back 95 percent on its investment. Concerned members of Transportation community within Michigan are very active. The Governor has been asked to testify before the House Transportation and Infrastructure Committee on Wednesday, May 7 to show why there needs to be additional investment in transportation, why it is critical, and what it means to Michigan. MDOT is working with its partners in the Transportation to support the 13 guiding principles. We are building a multi state coalition support for additional funding for highways and transit. A multi-year plan is needed. A predictable and consistent source of revenue is necessary, so we can plan and deliver quality transportation system.

### **SUBCOMMITTEE UPDATE**

Commissioner Garside then reported that the Subcommittee on Information Technology had received an update on the Department's Information Technology (IT) projects.

### **PUBLIC COMMENT**

1. Bill Eisenberg from Grand Sakwa Properties indicated that he was here today asking for support and commitment for the M-59 and Adams interchange, scheduled for the 2004 and 2005 construction season, as listed in the 5-year plan. The interchange is third component of an overall plan and commitment to the Chrysler Technology Center to induce them to locate to Auburn Hills approximately 14 years ago. The first two components have been completed, including the I-75 access ramp into the Chrysler Tech center. The eastbound Adams ramp has been closed for several years because it is too close to the newly constructed Square Road interchange. Rochester Hills was responsible for acquiring the right of way to realign Adams Road to line up with the new proposed interchange. Rochester Hills was unable to secure the financing to acquire the right of way. Their company owned approximately 57 acres along M-59. The city came to us asking for our help. They acquired an additional 50 acres where the road was to be realigned. We entered into a consent judgment with Rochester Hills which conveys approximately 12 acres to Rochester Hills and the Road Commission for Oakland County for the Adams Project. We met on a monthly basis with MDOT members, Oakland County Road Commission, Rochester Hills, and consultants. We were encouraged to proceed. It was indicated at the meetings that the commitment was there, along with \$6,000,000 of Michigan Build III money. The project was

originally budgeted at \$24,000,000. Working with the MDOT people, we were able to reduce the scope to a basic interchange at a cost of \$12,000,000 to \$14,000,000. Rochester Hills retained the engineering firm of Fink and Binder to complete environmental, traffic, archaeological study, preliminary design, which are completed or about to be completed. The alignment has been agreed upon by the Road Commission, Oakland County, MDOT, and Rochester Hills. Rochester Hills also went out and secured a smart zone to provide incentives for businesses to locate in that area. We met with the Michigan Economic Development Commission. We asked them to put together an estimate net economic benefit of the interchange. They felt that project would create about 2600 jobs, \$113,000,000 in tax returns to government entities. We have had several meetings with automotive suppliers who have requirements for space. One is seeking to consolidate their operations into one campus-style facility. They require approximately 1.5 million square feet of space, which translates to about 9,000 jobs and approx \$400,000,000 in tax benefits. The return to the state is almost immediate. Rochester Hills has offered to pay for the federal match funds that the state would be obligated for under the T-21 program. Support from the business community, Daemler Chrysler, Audi-Volkswagon, Oakland University, Co America, Trico, ECD, GMAC, Lear, etc. Congressman Nolenberg and the unions are in support of this project. Our project alone means \$200,000,000 in construction dollars. We also believe this project falls into the category of "fix it first." The project needs to be completed to demonstrate that the State does follow through on their commitments. If the project is not completed, MDOT's investment will be compromised with traffic congestion that will restrict future growth and development.

2. Mr. Richard Helway then spoke on the deferred I-96–Beck Road and I-96 Interchange reconstruction project. He passed out hand outs on this project. Out of many details, the one more perplexing is that based upon commitments in long-term planning is that the citizens of Novi voted November of 2000 to approve an \$18.4 million road bond—\$6 million is dedicated as local share. They issued the debt last fall and the property has been donated. They are proud of the track record with MDOT and they hope this project can be reconsidered. The partnership and money is in place.
3. Mr. Galbraith also spoke on I-96-Beck Road and I-96 Interchange Project. He also owns property at the northwest quadrant of the interchange. He requested that the Governor and the Director reconsider the decision to defer reconstruction of the I-96–Beck Road interchange. It is their feeling that this project is consistent with MDOT's emphasis on preservation in maintaining the State's infrastructure. This project's completion would relieve the Novi Road and Wixom Road interchanges and improve the safety for the motoring public. Design is complete and the land has been contributed by Providence Hospital and ourselves. Request reconsideration of this project.
4. Dapne Resnick, representing Senator Cassis also spoke on the I-96–Beck Road and I-96 Interchange believe this project is consistent with preservation. These intersections have been around since the 1960s. They believe it will improve the safety and have the figures to back it up. In 1997 they secured an amendment to go for a

design study on this project. The City of Novi has been working since 1997 on the importance and the critical need for doing these two interchanges. They are separate projects, but they are interdependent. The Beck Road project is ready to go. It was sent to be let in March. It was delayed. That project also delays the Wixom project for another year. Frank Cardimen of the Traffic Improvement Association of Oakland County will be able to speak more to the statistics of the traffic and injuries that have been taking place on these interchanges. The City of Novi secured \$6 million in bond money and they have been paying for this in their taxes. The Federal Government has agreed this is a 80 percent-20 percent State and Local shared project. The 80 percent Federal money is waiting to be used. There is another project in Livingston County (M-59-M23) that is as far along as the Beck project. If that project for safety reasons goes, why can't the Beck project go.

5. Mayor Michael McDonald—Mayor City of Wixom then spoke. He echoed what he has heard about Novi. Wixom has done the same thing. We invested \$7,000,000 of our own money in improving Beck Road and Wixom Road—two big industrial roads. He said in their area there is a lots of pent up demand. The interchanges get lots of use and heavy truck traffic. There is a major impact on the economics on that part of southeast Michigan and southwest Oakland County. He said he understands preservation, but roads need to be improved for safety, too. Maybe the gas prices should be increased a couple cents. He said he doesn't consider it a tax, he considers it a user fee. If you drive, you pay.
6. Brian Blaesing of Oakland County Road Commission has a letter for the clerk from Brent Bair of the Road Commission discussing projects they would like to see taken off the deferred list and put on the active list. He started with the interchange at Beck and Wixom. The reconstruction at Beck and Wixom are desperately needed. They are severely outdated and are not able to serve the existing traffic demands. Both were designed in the 50s to serve a rural area. It is a heavily developed area with shopping malls, offices, industrial centers, a major hospital, and significant residential development. Other heavy traffic generators are: Oakland County District Court Facility, Novi Expo Center, and the massive Ford Wixom Assembly Plant. Postponing means a loss of substantial money, time and energy invested in these projects already. This project has already been the works for 12 years. MDOT has already spent hundreds of thousands of dollars on the environmental work, preliminary engineering and design, right of way, and public involvement to get the project to the point of advertising for construction. The voters have supported the project with the bond issue to finance this work. Both cities have invested in the right of way needed for this project. More money was also spent to create the detour. The state should not be allowed to walk away from its commitments.

Secondly, he discussed the Interchange at M-59 and Adams Road and the relocation of the Adams Road. Since late 1980 discussion has been on building a nonstandard interchange due to the severe topography of the area. Problems were compounded when MDOT constructed the interchange to serve the Daemler-Chrysler Headquarters. When the state built the interchange, it partially closed the Adams interchange. MDOT

staff committed to the relocation of the Adams interchange to the east. We wrote Jackie Shinn and the people on her staff to get dollars committed from the TDF category "A" pot. We were told that we would have to do the necessary leg work to relocate Adams road and get property to build the interchange. Based on MDOT statements, the City and the Road Commission invested ten years of planning and engineering for this project. The City continues to pay to a consultant for the preliminary engineering and has negotiated significant right-of-way arrangements with developers to make this happen. The deal is now in jeopardy. The Road Commission has long sought to widen Crooks road, north and south of M-59, to address significant accident and congestion problems. Traffic volumes have exceed growth projections. We have pushed ahead with environmental and right-of-way phases on this project. Now we are ready to construct a four-lane boulevard. Now we learn MDOT is deferring this project. Because we do not want to lose the Federal funding, we have to no choice but to proceed. We will rebuild it as a Crooks Road as a boulevard and narrow it at each side of M-59 to go over the two lane bridge. We are ready to proceed, but MDOT is not.

7. Frank Cardimen of the Traffic Improvement Association supported what the previous speakers have said. The Traffic Improvement Association celebrated its 36<sup>th</sup> anniversary this month. We are a model organization for the state and the nation. Our focus has been on traffic-crash data. We monitor about 1200 intersections and 2500 road segments. Traffic crash data is used to solve problems and correct them. All of the projects you have heard about have been reviewed by TIA and its crash data. Data was supplied regarding the Wixom and Beck Road to demonstrate that for safety concerns the project needs to be reinstituted. Traffic safety needs to be a priority.
8. Blair Bowman, with T Bone LLC indicated they own a significant piece of property near the Beck Road Interchange along I-96 and Grand River where they intend to construct a state of the art exposition, convention, and conference center. He is echoing the support for reinstitution of the Beck and Wixom Road interchanges. He showed pictures of the Beck Road Interchange. He feels the pictures demonstrate the project should be considered a preservation project.
9. Mike Rodgers, Oakland Cty Commissioner. When MDOT is re-evaluating projects, should consider support for the projects. Donations. Return on the investment. Commerce and creation of jobs. Commitment from the local gov. Local comm as Novi raise millage. Status of these projects, already been designed and right-of-way done....they should be evaluated.
10. Craig DeRoche, State Representative, 38<sup>th</sup> District stressed the importance of staying with the five-year plan. He said he respects the Governor and the Director of MDOT new ideas and the direction they want to take the Transportation Department and the construction of the roads, but many of you know that these projects have been in the works many years ago. This area has been greatly affected by growth. The lack of progress has been extremely frustrating to him and the people he represents. Please consider the importance of the five-year plan. He is asking for a document that

everyone can work from. If you disregard all the time and planning that have been put in place, a void will be created in the State of Michigan. Reconsider the Beck/Wixom Road changes.

11. John Cuten from Providence Hospital, Senior Vice President of Finance then spoke. Providence Hospital is part of a St. John National Health System. They made a commitment to donate 11 acres to the interchange after getting approval from the national parent company. We received a two-year commitment. If we do not move forward on the project within the next two years that process lapses and we have to begin the process again. While it is important to Providence and St. John, there is no guarantee. A \$150,000,000 expansion of the medical center in Novi is about to begin. It is important to get this interchange and if we do not, we believe it will compromise the commitment of the \$150,000,000.

## **OVERSIGHT**

### Request for Michigan State Transportation Commission Approval:

#### Contracts (Exhibits A through A-3)

Commission Advisor, Pat Lockwood, presented a request from the Department to withdraw three particular items. Exhibit A-1 Item 5, Exhibit A-3 Item 1, and Exhibit B Item 5-6.

Myron Frierson gave the report on the April letting statistics. He indicated that we are pleased that the electronic bidding is going very well and 71 percent of the bids in the April letting were submitted electronically, which allows bidders to submit their bids from a remote location rather than coming to Lansing. This figure is up from 48 percent last October. Eighteen State jobs were let in April, totaling \$25.9 million, actual bids \$22.8 million. The amount under engineers estimates was 5.86 percent. There were 85 bidders on the State projects averaging 4.72 bidders per job. The average number of bidders per projects continues to increase. During the first six months, approximately 83 percent of the dollars were actually let. In terms of dollar volumes, we are lower this year. But as I mentioned in previous meetings the size of the projects that we have let are smaller. In terms of total number of projects let this year, we are up approximately 29. In terms of estimates for the entire year, we believe we will reach our target of \$700,000,000 in lettings. Commissioner Jackson moved for approval of exhibits A, A1 and A2. It was supported by Commissioner Bender. The motion carried on a unanimous voice vote.

#### Contract Adjustments (Exhibit B)

John Friend, Director, Bureau of Highway Delivery, provided a brief overview on the items on Exhibit B. Commissioner Bender made a motion to approve and Commissioner Garside supported the motion. The motion carried on a unanimous voice vote.

## **RESOLUTIONS**

Myron Frierson requested approval of three resolutions. The first resolution revises the project list for the Comprehensive Transportation 1992 Bond Issue. The second resolution revises the project list for the Comprehensive Transportation 2002 Bond Issue. The third resolution authorize up to \$38,000,000 in bonds. The proceeds of which will provide funding for \$12,000,000 for Comprehensive Transportation Fund projects, \$24,000,000 in funding for airport security and safety projects. The executive order in this fiscal year, Executive Order 2003-03, changed funding for a mid-field terminal project at the Detroit Metropolitan Airport. The funds were switched from general fund support to comprehensive transportation fund bond proceeds. Part of the reprogramming of the two earlier bond issues are the result of trying to accommodate that executive order. In terms of the new bond issue, the Commission authorized upwards \$60,000,000 in Airport Safety and Security Program last summer. Because the supporting revenue had not been passed last Fall, we did not issue the bonds. Now that legislation has been passed. \$6,000,000 in airport tax revenue, a portion of which, is designated to provide debt service support for the Airport Safety and Security Program. That statute was enacted March 31. Now asking for approval to issue \$24,000,000 of the \$60,000,000 we authorized. If the resolution is approved, the bonds will be issued late May, early June, depending on the market conditions.

Commissioner Baillod questioned how the \$24,000,000 related to the \$60,000,000. Myron Frierson explained that the Commission is actually authorizing the sale of the bonds. Earlier the Commission authorized part of plan for CTF and ASAP and authorized a project list. Included in that project list, was \$60,000,000 in ASAP projects. Now that we have a revenue source, to get commission approval to sell the bonds.

Commissioner Bender questioned the list of projects and the language in the resolution. Mr. Frierson stated that the resolution, if approved, would allow the Department to the use bond proceeds on those projects. Commissioner Bender asked Mr. Frierson if that precluded the Aeronautic Commission from approving those individual projects. Mr. Frierson said it didn't. They took the resolutions individually. The first resolution was for the 1992A Comprehensive Transportation Fund Bond Programming. Motion for was made by Commissioner Bender and seconded by Commissioner Baillod. The vote for was unanimous. The second resolution was for 2002B Comprehensive Transportation Fund Bond Programming. Motion for was made by Commissioner Garside and seconded by Commissioner Jackson. The third resolution was for 2003 Comprehensive Transportation Fund Bond Issue. The motion for approval was made by Commissioner Bender and seconded by Commissioner Baillod. The vote for approval was unanimous.

## **PRESENTATIONS**

Donald Morandini, Deputy Director of Planning and Economic Development provided a brief sketch of how Macomb County has been operating. Macomb County has been one of the fastest growing counties in the State of Michigan over the last three years based upon residential building permits. One out of every four new homes built in southeast Michigan is

constructed in Macomb County. Significant development has been along the M-59 corridor. In non-residential projects, Michigan has been recognized for attracting more major new projects than any other state in the nation. Ninety-five percent of the business are small businesses employing less than 50 people. The county is making efforts to enhance the development by creating an Economic Development Corporation and Brown Field Development Authority to help channel some of the development to the older urban communities. They are intensifying their services to small businesses. Developing support programs for women owned and minority-owned businesses. Working with communities to develop their downtown areas. Mr. Morandini cited many examples of the growth and development that is taking place in Macomb County.

Ed Tatem, Macomb County Road Commission, provided a brief summation of some of the issues in Macomb County. He supplied a handout for attendees. Mr. Tatem spoke about the growth of population and households in Macomb County. He pointed out how the transportation system needs were magnified by this growth. Every year they produce 24 new miles of subdivision streets that need to be maintained. Traffic congestion and the cost of road needs far exceed the anticipated revenues. Gravel roads, natural beauty roads, and road widening projects all present problems. M-59 has become so congested, they are looking at an environmental assessment of 26-Mile Road. There are also historical concerns. They would like to have at a county-wide master plan to look to for direction /vision, instead of reacting to the growth, they can be proactive.

Drew Buckner, Macomb County TSC Manager, discussed the Metro Regions fiscal 2003 high impact project list, which was slightly modified due to the present emphasis on preservation. In the Metro Region, they have identified 16 projects that are high-impact projects, in terms of impacting the public. Two of them are in Macomb County, one in Oakland County, one in St. Clair, four in the City of Detroit, and eight in Wayne County, exclusively Detroit.

Andy Zeigler, Metro Region Planner, identified six projects of the 30 major projects in the region, which show the nature and complexity and the international flavor of many of the projects that the Region has—border crossing issues, trade, commerce, and then the issues of the preservation of the system, congestion, and other issues. Mr. Zeigler passed out packets with a brief description of the six projects, some of the the important issues, and the scheduling and cost information associated with the projects. He described the border crossing study and those involved, to study the boarder crossing needs, infrastructure needs, as well as the transportation networking needs projected out to some 30 years. The project has become more challenging, as it is necessary to study not only our needs, but the Canadian needs, as well. Some of the problems are the congestion, urgency to address local needs, long-term solutions, and legal challenges.

#### Transportation Economic Development Fund Grants for Macomb County

Director Gloria Jeff and State Transportation Commission Chairman, Ted Wahby presented Economic Development Fund grants to Mr. Ed Tatem, Macomb County Road Commission. Mr. Tatem thanked the Department on behalf of the Road Commission and indicated that the

funds would be put to good use on their roads, resulting in additional economic growth.

Transportation Asset Management Council

Commission Advisor, Pat Lockwood, gave an update on Transportation Asset Management Council activities for the month.

Air-21 Update

Ron Seeley, Airports Division, Multi-Modal Transportation Bureau, provided an update on the reauthorization for aviation funding.

**ADDITIONAL PUBLIC COMMENT**

Kim Wilcox, representing Central Park Estates, provided additional comments regarding Beck Road and I-96 Interchanges.

Dave VanderVeen, Oakland County, added to the Oakland County presentation regarding I-75.

Chairman Wahby thanked everyone for their attendance and Macomb County for hosting the meeting. Commission Advisor, Pat Lockwood, extended a special thank you to Kristine Rivas for all the assistance she has been providing to the State Transportation Commission. Commission members and staff congratulated Chairman Wahby and his wife, Yvonne, on their 50-year wedding anniversary.

Commissioner Jackson commented on MDOT critic Michigan Land Use Institute concerns regarding urban sprawl. He asked that MDOT's five-year plan reference preservation and capacity projects relating to urban sprawl. Director Jeff replied that she will report back on the issue of urban sprawl.

**ADJOURNMENT**

Chairman Wahby noted that the next meeting will be in Lansing on May 29, 2003. The meeting was adjourned at 12:00 p.m.

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Commission Advisor